GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2662
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User Friendly Insurance Products
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Will the Minister of FINANCE be pleased to state:

(a) whether the Government has laid down new norms to make life insurance products simple and customer friendly and if so, the details thereof;

(b) whether any time limit has been fixed for the compliance of new norms by the life insurance companies; and

(c) if so, the details thereof?

Answer

Minister of State in the Ministry of Finance

(a) to (c): Insurance Regulatory and Development Authority of India (IRDAI) has notified the following Regulations with a view to streamline and simplify the design and procedure related to life insurance products:

1. IRDA (Linked Insurance Product) Regulations 2013 & IRDA (Non-Linked Insurance Product) Regulations 2013 − These Regulations prescribe the provisions with respect to the product features, benefit structure, duration of the policy and premium payment, claims settlement, payment of remuneration, Market conduct and disclosures.

2. IRDAI (Micro Insurance Regulations) 2015: These Regulations have simplified the product parameters, enhanced the life insurance coverage up to Rs 2 lakhs under Micro Insurance Policies and introduced policyholder friendly prescriptions such as compulsory premium acknowledgements, policy documents in regional languages, zero policy accounts, allotment of lapsed policies whose agent is terminated to other agents etc.

3. File and Use procedure for minor modifications under existing products and riders offered by Life Insurers: In order to facilitate quicker approval and to make the product modification process more efficient, the Authority has allowed certain minor modifications to the approved products and riders by the life insurers without detailed procedure under File and Use.